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AZ CORP COMMISSION
DOCKET CONTROL

February 4, 2010

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

RE: Customer Bill Inserts to Notify of APS Revised Schedules of Rates and Charges
Docket No. E-01345A-08-0172

Pursuant to Decision No. 71448, dated December 30, 2008:

"Arizona Public Service Company shall notify its affected customers of the revised schedules of rates and charges authorized herein by means of an insert in its next regularly scheduled billing and by posting on its website, in a form acceptable to the Commission's Utilities Division Staff."

Attached is a courtesy copy of the publication from the Arizona Public Service Company website and a copy of the bill insert that was included in the customers monthly bill beginning January 6, 2010 and concluded February 3, 2010.

If you should have any questions regarding the information contained herein, please call Jennie Vega at 602-250-2038.

Sincerely,

Leland R. Snook

LS/dk

Attachments

cc: Steve Olea
Brian Bozzo

Arizona Corporation Commission
DOCKETED

FEB - 4 2010

DOCKETED BY

IMPORTANT NEWS ABOUT YOUR ELECTRIC RATES

On December 16, 2009, the Arizona Corporation Commission (ACC) approved APS's rate case settlement agreement that authorized an increase to APS customer bills effective January 1, 2010. *(The rate increase does not apply to the company's low income customers who are on either of the APS Energy Support programs, E-3 or E-4.)*

The decision consists of several parts including a base rate increase that is partially offset by the concurrent termination of the interim rate adjustor and the reset (*decrease*) of the PSA adjustor. A residential customer using an average of 1,177 kWh per month will experience a \$0.64 increase in 2010, from \$132.87 to \$133.51, or 0.48 percent when the effects of the base rate increase and the PSA decrease are taken into account. A general service customer using an average of 8,769 kWh per month will experience a \$2.72 decrease in 2010, from \$949.78 to \$947.06, or 0.29 percent when the effects of the base rate increase and the PSA decrease are taken into account. The impact on your individual bill will depend on your actual energy consumption.

The Settlement agreement approved by the ACC brings broad benefits to Arizona with only a modest bill impact to the average residential customer. Specifically, the settlement provides for rate stability for customers by preventing APS from filing a general rate case prior to June 1, 2011. It also reinforces the Company's commitment to renewable energy, sets aggressive energy efficiency measures and programs that will enable customers to save on their electricity bills in the immediate future, creates new clean, green jobs for the State of Arizona, supports APS's commitment to cost management, including a specific pledge to eliminate a total of \$150 million in cost over the next five years and increases support for limited-income customers.

The settlement agreement also approved changes to the APS Line Extension Policy which allows for line extension agreements executed January 1, 2010 or after to be based on an approved schedule of fixed charges and establishes conditions under which customers who pay for line extension projects may be eligible for a partial refund.

Customers can minimize the impact of the rate increase by using electricity efficiently and wisely, thus reducing their overall energy usage. For tips on how to reduce your energy usage visit www.aps.com/save. For information on APS rates go to www.aps.com/rates.

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Residential • 12/2009

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